Coates, Jr., clearing-house examiner of Cleveland, Ohio, and in 1921 by Messrs. Haskins and Sells, certified public accountants of New York City. These reports brought to light the astonishing state of the bank's finances. Among other things, there was disclosed the following: slight surveillance was exercised over the main office and practically no control over the branches and agencies 5 funds were loaned on slight investigation and without adequate security; the Government reserves to protect its currency were transferred to insecure investments; an exchange speculation with Shanghai involved a loss of 14,000,000 pesos ($7,000,000); a large portion of the investment made by the Government in the capital stock and the government deposit were lost; the principal losses totalled over 60,000,000 pesos ($30,000,000). During a brief period of six years the bank had been wrecked. It was insolvent.

Now for a more pleasing picture. Mr. E. W. Wilson, an experienced banker from San Francisco, was made President of the Philippine National Bank. The Rehabilitation Act of 1924, passed by the Philippine Legislature, put the bank in a legal position to operate and was supported by the greater borrowing power of the Philippine Government. The process of liquidating the frozen assets, mostly in sugar centrals, was begun. The bank began to make money. Year by year it steadily improved its position. In 1934, the profits of the bank were 3,931,000 pesos ($1,965,500) and it was able to repay 2,946,000 pesos ($1,473,000) to the Government. Indeed,

through conservative management, the bank has been reimbursed for most of its loans and is making good on its own loans from the Government.

The Philippine National Bank is now functioning satisfactorily. Hon. Rafael Corpus, a level-headed Filipino, is at the helm. An experienced organization assists him. The bank still has outstanding investments in sugar centrals and loans, but the amounts are so small as to cause no grave concern.